

Department of Labor

Analyst: Austin

Historical Summary

OPERATING BUDGET	FY 2008 Total App	FY 2008 Actual	FY 2009 Approp	FY 2010 Request	FY 2010 Gov Rec
BY PROGRAM					
Wage & Hour	584,400	566,500	631,900	625,400	543,100
Employment Services	4,307,000	4,089,800	444,100	7,973,400	10,347,300
Nursing Workforce Center	180,000	99,700	178,100	180,000	0
Total:	5,071,400	4,756,000	1,254,100	8,778,800	10,890,400
BY FUND CATEGORY					
General	753,800	666,200	774,400	794,800	532,500
Dedicated	4,317,600	4,089,800	479,700	466,200	464,000
Federal	0	0	0	7,517,800	9,893,900
Total:	5,071,400	4,756,000	1,254,100	8,778,800	10,890,400
Percent Change:		(6.2%)	(73.6%)	600.0%	768.4%
BY OBJECT OF EXPENDITURE					
Personnel Costs	551,300	434,700	814,400	908,800	908,900
Operating Expenditures	221,100	231,500	439,700	2,870,000	3,231,500
Capital Outlay	4,000	0	0	5,000,000	5,000,000
Trustee/Benefit	4,295,000	4,089,800	0	0	1,750,000
Total:	5,071,400	4,756,000	1,254,100	8,778,800	10,890,400
Full-Time Positions (FTP)	9.00	9.00	11.66	11.00	14.00

Department Description

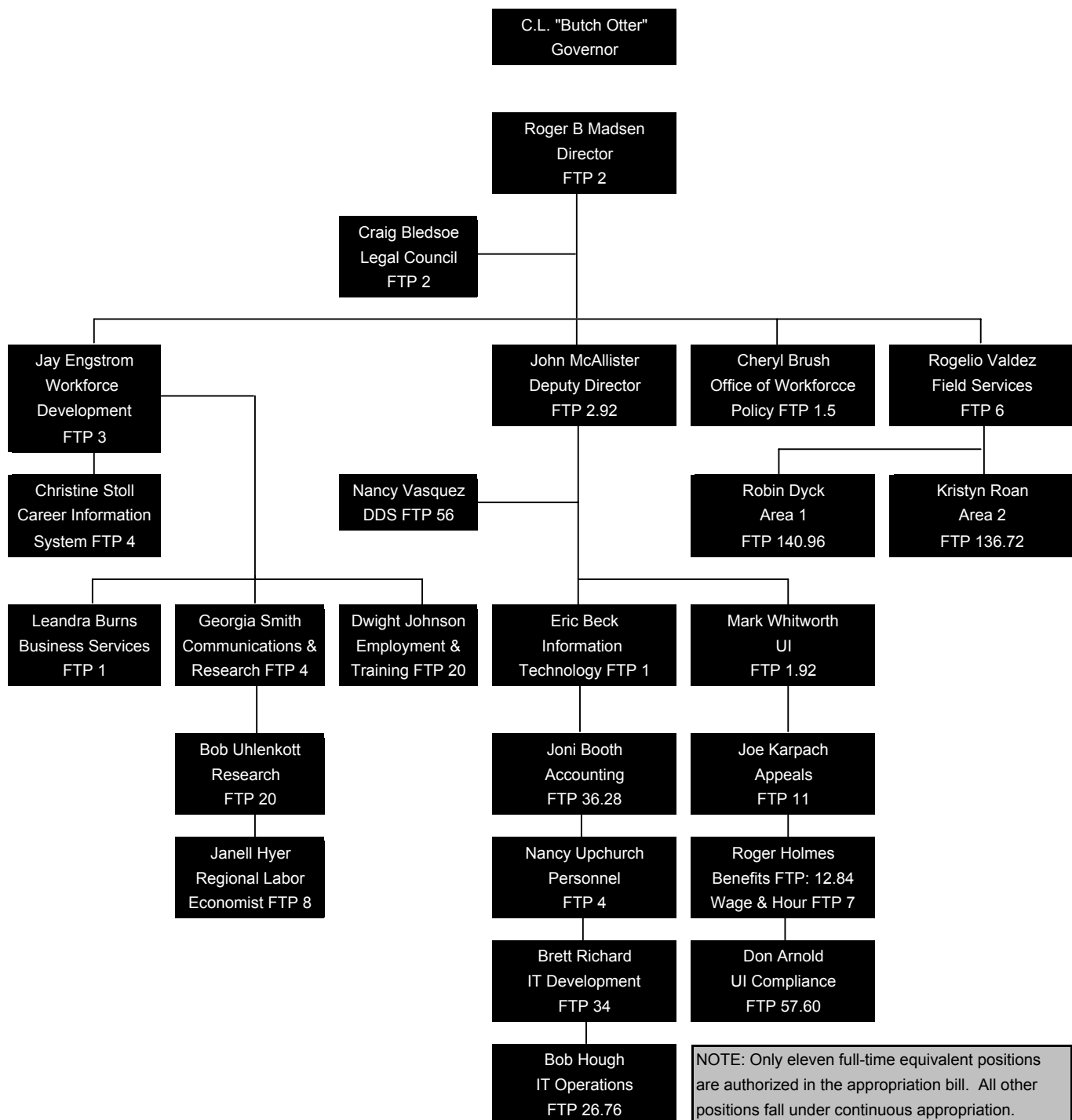
The Department of Labor is comprised of three programs: Wage and Hour, Employment Services, and the Nursing Workforce Center. Except for the Career Information Systems Program and the requirement that Reed Act funding is required to be legislatively authorized, Employment Services operates on a continuous appropriation of federal funds and funds generated by administration of the employment security law and unemployment insurance taxes. The Wage & Hour section administers Idaho laws regarding the payment of minimum wage and claims for unpaid wages. This program provides redress to citizens for wage and hour law violations, and dispenses information and assistance to employers on wage and hour law provisions.

The Nursing Workforce Center was created during the 2007 Legislative Session by H155. The program is charged with assisting the nursing workforce advisory council in planning for a qualified workforce necessary to meet the current and future nursing and health care needs of the state. Its main functions are conducting research activities, including the collection of valid and reliable data about Idaho's current nursing workforce and the forecasting of future needs, and providing expertise in workforce planning and project evaluation. The Idaho nursing workforce center shall report to the nursing workforce advisory council and shall be funded pursuant to state appropriation in addition to any funding from grants, federal moneys, donations or fund from any other sources.

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Organizational Chart

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Department of Labor

Agency Profile

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		FY 2008	Percent	FY 2009	FY 2010
		Expenditures	of Total	Appropriation	Request
Appropriated Funds					
1	General Fund (0001-00)	\$666,200	0.3%	\$596,300	\$794,800
	Individual income tax, corporate income tax, sales tax, cigarette tax, beer tax, wine tax, liquor surcharge, kilowatt hour tax, mine license tax, Treasurer's interest on investments of certain idle state funds, court fees and fines, insurance premium tax, sale of alcoholic beverage licenses, unclaimed property, articles of incorporation and uniform commercial code filing fees, estate and transfer tax, and other miscellaneous sources from various agency receipts.				
2	Miscellaneous General Fund (0120-02)	3,909,700	1.7%	-	-
	Rural broadband development matching funds are grants for providers who can extend broadband access to rural communities with a population under 10,000. The provider must match the state grant dollar for dollar. Total award cannot exceed \$1 million.				
3	Loan Fund (0403-02)	28,800	0.0%	-	-
	H873 of 2006 provided \$2 million for the Incumbent Worker Training Program which is one-time General Fund surplus designated for one-time economic development projects throughout the State.				
4	Federal Grant (Reed Act) (0348-00)	-	0.0%	-	7,517,800
	Federal funds received from U.S. Department of Labor. Federal funds were generated from federal unemployment tax act. These funds must be legislatively authorized, however once authorized, are included in continuously appropriated funds.				
5	Miscellaneous Revenue (0349-00)	-	0.0%	35,600	466,200
	Source of funds include miscellaneous receipts, grants, contributions or donations, Workforce Development Training Fund moneys, and Idaho Career Information System fees.				
TOTAL Appropriated Funds		\$4,604,700	2.0%	\$631,900	\$8,778,800

Continuous Funds

1	Unemployment Penalty and Interest (0302-00)	\$78,000	0.0%
	Receipts to this fund include penalties and all interest on judgments or funds secured by liens, collected under the provisions of Section 72-1347A, Idaho Code. This fund is referred to as the Employment Security Administrative and Reimbursement Fund in Section 72-1354, Idaho Code.		
2	Employment Security Special Administration (0303-00)	301,700	0.1%
	This fund consists of interest earned from investment of the Employment Security Reserve Fund, Section 72-1347-1347A, Idaho Code. This fund is used for costs related to Department programs administered under the employment security law as approved by the Workforce Development Council.		
3	Labor Federal Funds (0348-31)	49,223,800	21.5%
	The major federal grant is for administration of the Unemployment Insurance Program as authorized under the Social Security Act. This grant, as well as grants for the Employment Service and related programs, and Workforce Investment Act (WIA) are administered at the federal level by the U.S. Department of Labor. No state matching funds are required. Funds made available to the state through discretionary grants awarded by the U.S. Department of Labor are also credited to this account. Monies are expended for personnel costs, operating expenses, and capital outlay. The monies deposited in this fund are used to pay administrative expenses and contract costs arising out of the administration of the Employment Security Law, Section 72-1301, Idaho Code. Funds are also used to pay for employment and training programs, services to veterans and other specialized employment-related services.		
4	Unemployment Compensation (0514-00)	168,779,600	73.7%
	This fund is for receipting unemployment taxes and interest collected and for disbursing unemployment benefits.		
5	Workforce Development Training Fund (0305-00)	3,205,400	1.4%
	This fund is derived from the diversion of Unemployment Insurance taxes equal to 3% of the taxable wage rate authorized and payable under Section 72-1350, Idaho Code. This fund is maintained separately and authorized under Section 72-1347B, Idaho Code. This fund is used to provide or expand training and retraining opportunities for Idaho's workforce. The fund has a statutory sunset of January 1, 2012.		
6	Miscellaneous Revenue (0349-00)	2,873,500	1.3%
	Source of funds include miscellaneous receipts, grants, contributions or donations, Workforce Development Training Fund moneys, and Idaho Career Information System fees.		
TOTAL Continuous Funds		\$224,462,000	98.0%
Grand Total Appropriated and Continuous		\$229,066,700	100%

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Comparative Summary

Decision Unit	Agency Request			Governor's Rec		
	FTP	General	Total	FTP	General	Total
FY 2009 Original Appropriation	11.66	774,400	1,254,100	11.66	774,400	1,254,100
1. Network Cost Allocation	0.00	0	17,800	0.00	0	0
Omnibus Rescission	0.00	0	0	0.00	(31,000)	(31,000)
Health Insurance Reduction	0.00	0	0	0.00	(3,800)	(5,800)
FY 2009 Total Appropriation	11.66	774,400	1,271,900	11.66	739,600	1,217,300
Fund Adjustment	0.00	0	17,800	0.00	0	17,800
FY 2009 Estimated Expenditures	11.66	774,400	1,289,700	11.66	739,600	1,235,100
Removal of One-Time Expenditures	(0.16)	0	(25,000)	(0.16)	0	(25,000)
Base Adjustments	(0.50)	(178,100)	(195,900)	(0.50)	(177,800)	(195,600)
Additional Base Adjustment	0.00	0	0	0.00	(33,700)	(33,700)
FY 2010 Base	11.00	596,300	1,068,800	11.00	528,100	980,800
Benefit Costs	0.00	5,800	10,000	0.00	2,800	5,000
Statewide Cost Allocation	0.00	1,600	2,400	0.00	1,600	139,700
Change in Employee Compensation	0.00	11,100	17,600	0.00	0	0
FY 2010 Program Maintenance	11.00	614,800	1,098,800	11.00	532,500	1,125,500
1. Reed Act For UI Tax Compliance	0.00	0	2,500,000	0.00	0	2,500,000
2. Reed Act for Coeur d' Alene Building	0.00	0	5,000,000	0.00	0	5,000,000
3. Nursing Reauthorization	0.00	180,000	180,000	0.00	0	0
4. Transfer Serve Idaho	0.00	0	0	3.00	0	2,264,900
FY 2010 Total	11.00	794,800	8,778,800	14.00	532,500	10,890,400
Change from Original Appropriation	(0.66)	20,400	7,524,700	2.34	(241,900)	9,636,300
% Change from Original Appropriation		2.6%	600.0%		(31.2%)	768.4%

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Budget by Decision Unit	FTP	General	Dedicated	Federal	Total
FY 2009 Original Appropriation	11.66	774,400	479,700	0	1,254,100
1. Network Cost Allocation					
Employment Services					
This supplemental request is for spending authority to cover ongoing overhead costs in the Career Information System, new to the Department of Labor, Employment Services Program as of July, 2008.					
Agency Request	0.00	0	17,800	0	17,800
<i>The Governor recommends using federal funds.</i>					
Governor's Recommendation	0.00	0	0	17,800	17,800
Omnibus Rescission					
Agency Request	0.00	0	0	0	0
<i>General Fund holdbacks, as directed by Executive Orders 2008-3, and 2008-5, are incorporated as a rescission that reduces the General Fund by 4% for FY 2009. This includes \$15,000 from Wage and Hour and \$16,000 from the Nursing Workforce Center.</i>					
Governor's Recommendation	0.00	(31,000)	0	0	(31,000)
Health Insurance Reduction					
Agency Request	0.00	0	0	0	0
<i>The Governor recommends reducing the funding for health insurance by \$500 per FTP, using reserves to offset the increased costs of health insurance for the state for FY 2009 and FY 2010.</i>					
Governor's Recommendation	0.00	(3,800)	(2,000)	0	(5,800)
FY 2009 Total Appropriation					
Agency Request	11.66	774,400	497,500	0	1,271,900
Governor's Recommendation	11.66	739,600	477,700	17,800	1,235,100
Fund Adjustment					
Employment Services					
This adjustment is for an increase of \$17,800 in federal funds for the Career Information System, new to the Department of Labor, Employment Services Program as of July, 2008. Career Information Systems activities are funded by the fees charged for their products and services. This adjustment is to cover their share of network charges which are based on personnel services.					
Agency Request	0.00	0	0	17,800	17,800
Governor's Recommendation	0.00	0	0	17,800	17,800
FY 2009 Estimated Expenditures					
Agency Request	11.66	774,400	497,500	17,800	1,289,700
Governor's Recommendation	11.66	739,600	477,700	35,600	1,252,900
Removal of One-Time Expenditures					
Removes and returns .16 FTP from Wage and Hour to Employment Services upon completing the removal of the online claims system.					
Agency Request	(0.16)	0	(25,000)	0	(25,000)
Governor's Recommendation	(0.16)	0	(25,000)	0	(25,000)
Base Adjustments					
The 2007 Legislature, via H155, established the Nursing Workforce Center. H335 provided resources necessary to implement H155, however funding sunsets June 30, 2009. This adjustment reduces excess spending authority in the miscellaneous revenue fund. Line item 3 requests reauthorization.					
Agency Request	(0.50)	(178,100)	(17,800)	0	(195,900)
Governor's Recommendation	(0.50)	(177,800)	(17,800)	0	(195,600)
Additional Base Adjustment					
Agency Request	0.00	0	0	0	0
<i>The Governor recommends an ongoing base reduction to balance the state budget. This represents an additional 4.4% reduction for the agency bringing the FY 2010 Base 31.8% below the ongoing FY 2009 General Fund Original Appropriation.</i>					
Governor's Recommendation	0.00	(33,700)	0	0	(33,700)
FY 2010 Base					
Agency Request	11.00	596,300	454,700	17,800	1,068,800
Governor's Recommendation	11.00	528,100	434,900	35,600	998,600

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Budget by Decision Unit	FTP	General	Dedicated	Federal	Total
Benefit Costs					
Provides \$900 per position, which equates to a 10.4% increase for employer-paid health insurance. Also, includes a 19% reduction in life and disability insurance rates from 1.1% to 0.9% of salary for eligible employees.					
Agency Request	0.00	5,800	4,200	0	10,000
<i>The Governor recommends providing an increase of \$400 per FTP and making changes to the health insurance benefits contract to meet expected costs. Including the rescission to reduce health insurance benefit costs in FY 2009 by \$500 per FTP, employer costs per FTP for FY 2010 will be \$8,600.</i>					
Governor's Recommendation	0.00	2,800	2,200	0	5,000
Statewide Cost Allocation					
The request includes adjustments to recover the costs of services provided to state agencies: \$1,500 for Attorney General fees; \$400 for State Controller fees; and \$500 for State Treasurer fees.					
Agency Request	0.00	1,600	800	0	2,400
Governor's Recommendation	0.00	1,600	900	137,200	139,700
Change in Employee Compensation					
Agencies were instructed to calculate a 3% salary increase in the appropriation request.					
Agency Request	0.00	11,100	6,500	0	17,600
<i>While increasing salaries of state workers continues to be a priority for the Governor, the current economic situation does not provide the funds to recommend an increase in FY 2010. When economic conditions improve, the Governor will once again seek to improve compensation for all state employees.</i>					
Governor's Recommendation	0.00	0	0	0	0
FY 2010 Program Maintenance					
Agency Request	11.00	614,800	466,200	17,800	1,098,800
Governor's Recommendation	11.00	532,500	438,000	155,000	1,125,500
1. Reed Act For UI Tax Compliance			Employment Services		
Request for \$2.5 million of Reed Act dollars to fund the Department of Labor's Unemployment Insurance (UI) Compliance Bureau. The UI Compliance Bureau has primary responsibility for unemployment insurance tax collection and claims investigations. [Analyst Note: These funds are not appropriated by the Legislature but the Department does need Legislative authorization to expend the monies for this purpose. This authorization will require a separate section in the Department's appropriation bill].					
Agency Request	0.00	0	0	2,500,000	2,500,000
Governor's Recommendation	0.00	0	0	2,500,000	2,500,000
2. Reed Act for Coeur d' Alene Building			Employment Services		
The department is asking for \$5 million in Reed Act funds to replace the leased Coeur d' Alene office building. This lease is currently \$21,500 per month for the 16,000 square foot facility. The average cost for the department's leased buildings is \$13.78 per square foot whereas the average cost for its state-owned buildings is \$5.53 per square foot. [Analyst Note: These funds are not appropriated by the Legislature but the department does need Legislative authorization to expend the monies for this purpose. This authorization will require a separate section in the department's appropriation bill].					
Agency Request	0.00	0	0	5,000,000	5,000,000
Governor's Recommendation	0.00	0	0	5,000,000	5,000,000
3. Nursing Reauthorization			Nursing Workforce Center		
The department is requesting continued funding to sustain research and planning activities in its Nursing Workforce Center. The center seeks to address current supply, demand, and education capacity issues in the nursing industry. Boise State University eliminated its Nursing Workforce Center in 2007 which added an increased demand for these services to the Department of Labor.					
Agency Request	0.00	180,000	0	0	180,000
<i>Not recommended by the Governor.</i>					
Governor's Recommendation	0.00	0	0	0	0

Department of Labor

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Budget by Decision Unit	FTP	General	Dedicated	Federal	Total
4. Transfer Serve Idaho				Employment Services	
Agency Request	0.00	0	0	0	0
<i>The Governor recommends the transfer of Serve Idaho from the Office of the Governor and the Department of Correction to the Department of Labor. The transfer includes three FTP, \$196,000 in personnel costs, \$318,900 in operating expenses, and \$1,750,000 in trustee & benefit payments.</i>					
Governor's Recommendation	3.00	0	26,000	2,238,900	2,264,900
FY 2010 Total					
Agency Request	11.00	794,800	466,200	7,517,800	8,778,800
Governor's Recommendation	14.00	532,500	464,000	9,893,900	10,890,400
Agency Request					
Change from Original App	(0.66)	20,400	(13,500)	7,517,800	7,524,700
% Change from Original App	(5.7%)	2.6%	(2.8%)		600.0%
Governor's Recommendation					
Change from Original App	2.34	(241,900)	(15,700)	9,893,900	9,636,300
% Change from Original App	20.1%	(31.2%)	(3.3%)		768.4%